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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
ALPINE WATER SYSTEMS, INC. FOR
APPROVAL OF THE SALE OF ASSETS
AND/OR FOR CANCELLATION OF ITS
CERTIFICATE OF CONVENIENCE AND
NECESSITY.

DOCKET NO. W-01731A-08-0285

PROCEDURAL ORDER

BY THE COMMISSION:

On June 2, 2008, Alpine Water Systems, Inc., ("AWS" or "Applicant") filed with the Arizona Corporation Commission ("Commission") an application for approval of the sale of assets to Alpine Domestic Water Improvement District ("ADWID") and/or for cancellation of its existing Certificate of Convenience and Necessity ("Certificate" or "CC&N") to provide water utility services ("Application").

On June 24, 2008, the Commission's Utilities Division ("Staff") filed a Sufficiency Letter in this docket stating that AWS' application had met the sufficiency requirements as outlined in the Arizona Administrative Code ("A.A.C.").

Pursuant to A.A.C. R14-3-101, the Commission now issues this Procedural Order to govern the preparation and conduct of this proceeding.

IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall be held on **September 2, 2008, at 10:00 a.m.**, or as soon thereafter as is practicable, at the Commission's offices, 1200 West Washington Street, Hearing Room #1, Phoenix, Arizona 85007.

IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-105, except that all Motions to Intervene must be filed on or before **August 11, 2008**.

IT IS FURTHER ORDERED that **objections to any Motions to Intervene** must be filed no later than **August 25, 2008**.

IT IS FURTHER ORDERED that AWS shall provide public notice of the hearing in this matter, in the following form and style, with the heading no less than 10 point bold type and the body no less than 10 point regular type:

**PUBLIC NOTICE OF THE HEARING ON THE APPLICATION OF
ALPINE WATER SYSTEMS, INC., FOR APPROVAL OF THE SALE OF ASSETS
AND/OR FOR CANCELLATION OF ITS CERTIFICATE
OF CONVENIENCE AND NECESSITY.
(Docket No. W-01731A-08-0285)**

On June 2, 2008, Alpine Water Systems, Inc., ("AWS" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for approval of the sale of assets to Alpine Domestic Water Improvement District ("ADWID") and/or for cancellation of its existing Certificate of Convenience and Necessity ("Certificate" or "CC&N") to provide water utility services ("Application"). The Commission's Utilities Division ("Staff") has not yet made a recommendation regarding AWS' application, and the Commission is not bound by the proposals made by AWS, Staff, or any intervenors. The Commission will issue a Decision regarding AWS' application following consideration of testimony and evidence presented at an evidentiary hearing. Copies of the application are available at AWS' offices [insert address] and the Commission's offices at 1200 West Washington Street, Phoenix, Arizona, for public inspection during regular business hours and on the internet via the Commission website (www.azcc.gov) using the e-docket function.

The Commission will hold a hearing on this matter beginning **September 2, 2008, at 10:00 a.m.**, at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona. Public comments will be taken on the first day of the hearing. Written public comments may be submitted via email (visit http://www.azcc.gov/divisions/utilities/forms/public_comment.pdf for instructions), or by mailing a letter referencing Docket Number W-02033A-06-0262 to: Arizona Corporation Commission, Consumer Services Section, 1200 West Washington Street, Phoenix, Arizona 85007.

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. If you would like to intervene, you must file a written motion to intervene with the Commission, and you must send copies of the motion to the Company or its counsel, and to all parties of record in the case. Your motion to intervene must contain the following:

1. Your name, address, and telephone number, and the name, address, and telephone number of any party upon whom documents are to be served in your place, if desired;
2. A short statement of your interest in the proceeding (e.g., a customer of the Company, a shareholder of the Company, etc.); and
3. A statement certifying that a copy of your motion to intervene has been mailed to the Company or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before August 11, 2008. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. However, failure to intervene will not

preclude any person or entity from appearing at the hearing and making a statement on their own behalf.

If you have any questions about this application, you may contact AWS at [insert telephone number]. If you wish to file written comments on the application or want further information on intervention you may contact the Consumer Services Section of the Commission at 1200 W. Washington Street, Phoenix, Arizona 85007, or call 1-800-222-7000.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator Linda Hogan, E-mail Lhogan@azcc.gov, voice phone number 602/542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that AWS shall mail to each customer and property owner or property owner representative in its service territory a copy of the above notice and shall cause the above notice to be published in a newspaper of general circulation in its service territory, with publication and mailing to be completed no later than July 21, 2008.

IT IS FURTHER ORDERED that AWS shall file certification of mailing and publication as soon as practicable after the mailing/publication has been completed, but not later than August 4, 2008.

IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing and publication of same, notwithstanding the failure of an individual property owner to read or receive the notice.

IT IS FURTHER ORDERED that Staff shall file a Staff Report on or before August 1, 2008.

IT IS FURTHER ORDERED that any objections to the Staff Report shall be filed on or before August 25, 2008.

IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized Communications) applies to this proceeding as the matter is set for public hearing.

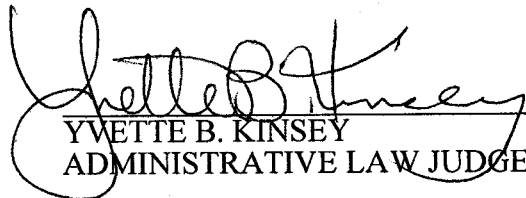
IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules of the Arizona Supreme Court and A.R.S. § 40-243 with respect to practice of law and admission *pro hac vice*.

IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the

Rules of Arizona Supreme Court). Representation before the Commission includes the obligation to appear at all hearings and procedural conferences, as well as all Open Meetings for which the matter is scheduled for discussion, unless counsel has previously been granted permission to withdraw by the Administrative Law Judge or the Commission.

IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

Dated this 2nd day of July 2008.


YVETTE B. KINSEY
ADMINISTRATIVE LAW JUDGE

Copies of the foregoing mailed/delivered this 2nd day of July 2008 to:

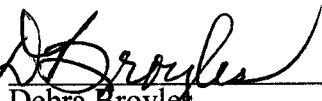
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Phoenix, AZ 85004-1481

By:


Debra Broyles
Secretary to Yvette B. Kinsey